

1:Gallin E-4,5 (1957-1958) 1966

AD5 Taiwan Hokkien AD5 •

Formosa AD1

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INTRODUCTION

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some insights into what is now taking place on the Chinese mainland. For many of the changes now taking place both in Taiwan and on the mainland are primarily due to the same cause—the encroachment of urbanization on a traditionally agrarian culture, whether enforced by the Japanese, the Nationalist Chinese, or the Chinese Communists.

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FIELD METHODS AND PROBLEMS

In the selection of a research site, I looked for a Taiwanese village with several attributes. These were that the inhabitants be of mainland origin, preferably descendants of early emigrants from the province of Fukien; that the village have agriculture as its primary means of livelihood; that it have a moderate-sized population, preferably between five hundred and one thousand inhabitants, to facilitate the achievement of familiarity with most of the people and with all aspects of village cultural life; that it be fairly traditional both culturally and socially and as typical as possible of the general villages in that area; and that housing be available inside the village for me, my wife, and our interpreter. It was also important that the village not be too near a major city, and yet not be geographically or culturally isolated from the main flow of Taiwanese life; it had to be identifiable as a definite community.

And, of course, it was important that the villagers be receptive to having a foreign observer move into the village.

It is no easy task to search for a village in which to carry on research in an unfamiliar country. The island of Taiwan, which on the map appears to be minute, is actually 250 miles long from north to south and 90 miles wide; it has an area of 13.8 thousand square miles.

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At the start of my search, I talked with the staff of the Joint Commission on Rural Reconstruction (JCRR), a Chinese and American agency which plays an important role in rural development in Taiwan. They briefed me on the cultural and geographic areas of rural Taiwan, and we decided that the *hsien* (counties) of Chang-hua, Taichung, and Yun Lin (all on the west-central coastal plain of Taiwan) offered the best possibilities for a suitable village. The next step was to travel by jeep within this area with JCRR field agents to visit many different kinds of villages and make a final choice. The interpreter, whom I hired at that time to live and work with my wife and me in the village, was a companion on these excursions. (For a discussion of translation methods and the use of the interpreter in the field see Appendix 1.)

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During the time we were investigating the many villages, we also visited local Farmers' Associations and *hsiang* (district) public offices. We held many long discussions with local officials to get additional

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*The Land and the
Agricultural Process*

To understand present-day life in Hsin Hsing, it seems fruitful to look first at the nature of village livelihood and recent changes in it. By examining the nature of the economic change and especially its consequences—for example, the ways in which the villager, in order to improve or at least maintain his livelihood, has become increasingly involved in complex relationships beyond the village limits—we will be better able to understand the changes in other areas of life, such as social organization, village leadership and cooperation, family and kinship, and life history and religion. It will be seen in the following chapters that the changes produced in these other aspects tend to reinforce the processes of change in the economy, and hence in the village generally. 121

Agriculture and the land-man relationship have always been the basis of the livelihood of Hsin Hsing villagers. The major part of village income, in fact, still comes from sources related to the land. But the land resources, both in quantity and productive capacity (as already briefly noted in Chapter 2 in the section on population and its economic base), have not kept pace with the natural population increase. And yet, from all available evidence, in spite of the imbalance between agricultural income and productivity and natural population growth, the village income and standard of living have risen. 241
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While this is important, our main concerns in Chapters 3 and 4 will be the nature of the economic organization in Hsin Hsing village, the developments which have brought about changes in the area, and how these have enabled the villagers to deal with the imbalance of land productivity to population. [128]

Two major developments have affected Hsin Hsing and many surrounding villages as well: one is the effort, by government and villagers, to improve agricultural methods and the land tenure system so as to increase productivity and support more people; the other is the 433
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apparently ever-increasing tendency of the villagers to turn from their traditional land-based economic pattern to other sources of income. This has mainly taken the form of migration from the village to urban centers. We shall see that these developments have affected both livelihood and standard of living in Hsin Hsing. But we shall also see, especially later, that they have produced changes in social and political patterns as well and that all the developments have, by mutual reinforcement, affected village life by weakening community organization and solidarity, thus broadening the emphasis of village relationships beyond village, area, and kinship group.

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In Chapter 2 we saw that in the nineteenth and early twentieth centuries the local population was relatively small. Dry cultivation was practiced in the area until the present expanded irrigation system was created. Agricultural production per unit of dry land had been low, and required so many man-hours that villagers preferred to supplement their family income with other forms of labor if available. In that period the port city of Lukang was an important outlet for local village labor. Fortunately, soon after the demise of the port, irrigation facilities in the area expanded rapidly, and thus agriculture—mainly wet-rice—successfully absorbed much of the village labor as production increased. Middle-aged villagers report that thirty-five years ago, when they were boys, most of the villagers grew rice in wet fields.

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For more than twenty years in the Hsin Hsing area, farmers have cultivated three crops a year on their irrigated and dry land. The irrigated crops are the more important, since irrigated land comprises 93.3 percent of the cultivable acreage. Depending on the amount of water available for irrigation at the appropriate time, the farmers devote the first two of the annual crops to rice; if the water supply is insufficient, they plant other crops instead. The third is a winter crop, when there is no water for irrigation. The farmers may use all the cultivable land for it.

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The first two crops of the year are usually wet-rice which is grown, naturally, on the irrigated land. The growing season for the two rice crops covers the period from early February to early November. Since the villagers' land is scattered throughout the area and irrigation schedules vary from one place to another, there is a resulting difference in rice-planting times for the Hsin Hsing farmers. The yield of the first crop may exceed that of the second by as much as 25 percent, because of the difference in season and available irrigation water between the two growing periods.

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There are two major types of rice grown in Taiwan; their periods of maturation are slightly different. One type is the native *tsai loi* rice, and the other is *p'eng loi* rice, introduced into Taiwan by the Japanese. *Peng loi* rice generally brings a better market price, but the type grown depends mainly on the type of soil in the field.

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work. Sometimes, however, a man who is building an addition to his house may just hire a few village men during the agricultural slack season and pay them a fixed wage for the day's work, about NT \$15-20 a day.

Today only a few villagers grow sugarcane. The period of harvesting for cane varies according to the time of planting, but usually it comes during what is normally a slack farm season. The sugar company, which contracts with the farmer to have him grow sugarcane on his land, regularly sends specialists to the fields to determine when the sugarcane is at its peak of readiness for harvesting. Usually, a field planted in sugarcane is relatively large, and may require a group of as many as thirty or forty people to harvest just under one *chia* of land. The group is generally hired from one of the very large villages in the area that is populous enough to supply the entire team. This labor team works as a single group of men, women, and young people, which is broken up into smaller crews according to function, such as cutting the cane, gathering it and tying it in bundles, or putting it on the oxcarts which take it to the railway line for shipment to the sugar company factory. The whole group is paid a lump sum for division among the members and is fed only refreshments in the field, not a whole meal. Hsin Hsing villagers are very seldom members of a sugar-harvesting labor gang.

THE FARMERS' ASSOCIATION: AN "EXTERNAL" FORCE

The Farmers' Association has been important in the Taiwanese rural area since Japanese times. Under the Japanese regime the local farmers owned stocks or shares in the local district associations, and Hsin Hsing villagers feel that the association was run partly by the Japanese government and partly by the farmers. In those days the government attempted to introduce new farm techniques and crops to the farmers through the association.

Today, the work of the local district Farmers' Association has become more important than ever. The Pu Yen Hsiang Farmers' Association has several large buildings which are used for offices, meeting rooms, classrooms, and warehouses for the storage of rice and farm equipment. The provincial Food Bureau lends some financial support to the association for the building of the warehouses where the large amounts of grain collected from the farmers as tax are stored for the bureau by the association. Almost all the villagers who cultivate land and are therefore classed primarily as farmers belong to the Farmers' Association. In order to become a member, the farmer must purchase at least one share of association stock at a price of NT \$3, a low fee which virtually guarantees that all farmers will become members. On

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the basis of the profits of the Farmers' Association, dividends in the form of towels, soap, or tea sets are regularly given to members.

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The members of each village unit of the Farmers' Association elect a "small unit head" who is the Farmers' Association's agent in the village. It is his job to distribute association literature and to notify the members of meetings and classes. It is also his job to record the amount of land for which each farmer wishes to obtain fertilizer from the Food Bureau through the auspices of the Farmers' Association in exchange for rice. Although the unit head used to receive NT \$50 a month to cover his expenses, in 1958 the arrangement was changed so that now he receives only the actual office supplies necessary for his job. In each village in Pu Yen Hsiang, the unit head is given a radio by the Farmers' Association for his use as long as he holds the position. He also regularly receives a newspaper, which is an organ of the provincial government, and *Harvest Magazine*.

The members in each village elect one representative for every fifty members to the association's governing body. These representatives in turn elect a supervisor, who then appoints the General Secretary who actually runs the *Hsiang* Farmers' Association. The General Secretary is the highest paid employee of the organization and is in charge of the many other paid employees. The main duty of the representatives is to attend the annual meeting of representatives to vote on the yearly program and budget which has been worked out by the General Secretary and his staff.

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Today, most of the villagers and employees of the Pu Yen Hsiang Farmers' Association feel that the local units are relatively independent. However, there are Farmers' Associations on the *hsien* and provincial level which are supposed to "teach" and to lead the operation of the local organizations. The local units in turn pay fees to the higher level units. In addition, there is a section in both the *hsien* and provincial government's agricultural departments which deals with farmers' organizations and supervises the operations of the Farmers' Associations. Thus, there is control of the operations of the local Farmers' Associations by these three higher levels. The monthly program, budget, and proposed special programs of the local associations are first discussed in local committee, and then the proposals and budget are sent to the *Hsien* Farmers' Association for suggestions and to the government agency for approval, changes, or rejection.

Both farmers and staff members of the association generally seem to agree that such guidance and supervision by upper levels of the government is a good thing. It is felt that the supervision of the *hsien* government is grounded in the law and assures the farmer that the programs and large amounts of money handled by the Farmers' Association will be properly administered. However, since the organiza-

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However, since the organization, as the official agent in the rural area for the provincial Food Bureau, must perform a number of unpleasant tasks such as the collection of rice and loans, this leads to some distrust of the Farmers' Association by the farmer.

The Farmers' Association has three basic functions. The first, and perhaps the most important, of its functions is its extension services. Many of these are performed with the financial and advisory cooperation of the JCRR. The second function is moneylending, which is of two kinds: loans to farmers by the association itself and loans to farmers by the provincial Food Bureau under the management of the association. The third function is performing, for a fee, some of the work of the provincial Food Bureau. The association sells fertilizer to the farmer and collects (handles and/or stores) rice from the farmer to pay for it. It collects rice for the land tax, for the required rice sale to the government, and for the semiannual payments in kind on land purchased from the government under the Land Reform Program.

Extension Services

The extension services offered by local Farmers' Associations vary a great deal from district to district. Because of the extension services it offers, the association in Pu Yen Hsiang is known to be one of the very best on the island. These services include educational instruction, sponsoring of 4-H Clubs, provision of rental farm implements, providing cash subsidies and loans to members to encourage farm improvements and modernization, and sale to members of such items as seed, bean cake, and bicycles below the market price.

The forms of instruction sponsored by the Pu Yen Hsiang Farmers' Association have been varied and apparently successful. Regular sewing classes are held for the daughters of members, and since the classes are free, many village families wish to take advantage of the opportunity. However, the facilities are so limited that when classes are held, each village may send only a small quota based on the number of association members in the village. In Hsin Hsing large numbers of girls wish to attend the classes, and it is the responsibility of the formal village leaders—the mayor, the village representative, and the village Farmers' Association unit head—to select the students. However, usually the village leaders wish to avoid any possible conflict or criticism over their choices, and, although some girls may meet the qualifications set up by the association better than others, straws are drawn to determine which girls will attend. The method all too often sends less qualified girls to the classes, and these often drop out before the course is over. Several Hsin Hsing villagers have complained of the wastefulness of this method of choice, and claim that the village leaders are refusing to assume their full responsibility.

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Other classes are held for training boys in agricultural techniques. There are also occasional adult classes on the proper use and application of fertilizer and planting techniques for some crops. The experts on various subjects who are brought in to speak to these classes are sometimes too technical for their audience, are not trained in practical application, and are strangers who know little of the immediate agricultural problems of the area. When this happens, the farmers tend to lose respect for and interest in such sessions. The Farmers' Association also sends trained women into the villages to teach women and girls how to prepare powdered milk for children and introduces new farm tools, new types of seeds and crops, fertilizer, and insecticides to the local area.

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Under the auspices of the Farmers' Association the 4-H movement has been introduced in some villages in Pu Yen Hsiang. The movement is relatively new in Taiwan, having been introduced with the help of JCRR in the early 1950's. The movement has been in existence in Pu Yen Hsiang only during the past few years; so far it has met with only moderate success. The 4-H groups are for boys and girls between the ages of fourteen and twenty-two. The program attempts to teach them the proper care of fields and livestock, home economics, and general record-keeping for income and expenses. Another purpose, set forth when the goals of 4-H are presented to the villagers, is to keep the young people busy and out of trouble.

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There is no 4-H group in Hsin Hsing village since there is no one qualified and willing to lead the program. Such a position demands an educated man who has free time and a knowledge and an interest in modern farm techniques. The person best suited to lead the program in Hsin Hsing is a relatively poor man who does not have enough free time and who is not particularly respected by many villagers because of his poor financial condition. "If a poor man should tell people something sensible about what to do, no one would pay any attention. After all, no one wants to listen to the words of a poor man. But let the poor man suddenly become famous and rich, and people will listen to his most ridiculous ideas."

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In addition to these many educational programs, the Farmers' Association also often subsidizes a farmer who is willing to attempt something new, such as buying an insecticide sprayer, building a new type of pig sty, or cementing a courtyard in front of his home for the drying of rice or vegetables. The association can give a partial subsidy to only a few farmers in the many villages each year. Usually, villages in which there are farmers interested in using the subsidy draw lots. However, the subsidies are so small that a great deal of money must be added to finance the building of a pig sty or a cement drying area, so only a few villages take part. Once the village receives the subsidy, there is likely

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to be only one, or possibly two, farmers with enough extra cash to take advantage of it. A cement drying area built with the help of this public money quickly becomes a semipublic area. The actual owner has first claim on its use, but if he is not using it, any other villager may do so without asking his permission. On the other hand, a drying area which is not cemented is definitely considered private property, and before a villager may use it he must gain the permission of the owner.

Moneylending (Rural Credit)

A major problem which still confronts the Taiwanese farmer, just as it did the mainland farmers under the Nationalists, is the difficulty in obtaining low-interest loans. The little progress made thus far in easing this problem in the Hsin Hsing area has been through the efforts of the local Farmers' Association. The association in Pu Yen has used its own available funds, together with the financial and organizational help of JCRR, to offer low-interest loans to small farmers. Other loans which have been made available by the provincial Food Bureau and the Land Bank have been of little help in easing the credit situation of the small farmer, since such loans require too much security or else are mainly for business purposes. The result is that most farmers still resort to high-interest private moneylenders or to moneylending clubs.

The Farmers' Association, under the Shih Fan Tai K'uan, "Model Money Lending" system, makes cash loans which are to be repaid in cash, to small farmers. The rules for the granting of these loans are made by each district Farmers' Association, but they must be approved by JCRR. The loans can be made only to regular members of the Farmers' Association, to help them purchase farm implements necessary to increase their production. The maximum loan made by the Pu Yen Farmers' Association in 1954 was NT \$3,000. This was lent for a maximum period of two years, and payments on the loan were due every six months. The actual time permitted for repayment of the loan depends upon the amount of money borrowed. The interest rate charged by the Farmers' Association is 1.5 percent per month.

The only security demanded of the borrower is the guarantee of two other members of the Farmers' Association. A committee of the association decides if the borrower is a good risk by examining the amount of land he operates (owned and rented). According to the Extension Head of the Farmers' Association, the most important consideration is that the man can be trusted and also that he have good guarantors. Thus, if his reasons for wanting the loan are accepted, even a man who owns only a small piece of land may be able to borrow the maximum amount of money for the full two-year term. At the Pu Yen association

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probably more than one-half of these loans are made to tenant farmers and to people who are both landowners and tenants. However, the funds available for such loans are limited, and can therefore play only a small part in alleviating the rural credit situation.

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In 1958 there were also two types of loan systems sponsored by the provincial Food Bureau and administered by the Pu Yen Farmers' Association. One system, called Sheng Ch'an Tai K'uan, "Money Lending for Production," makes available through loans small amounts of cash directly proportional to the amount of land the borrower operates (owns or rents). For each *chia* of land he operates a farmer can borrow NT \$600. Farmers who operate small amounts of land, like the majority of Hsin Hsing farmers, therefore do not like to borrow money under this plan since the amounts are too small and involve too much red tape. An additional, and perhaps greater, disadvantage of this system is that the money borrowed, plus the interest, must be paid back in rice rather than in cash. The rice to be repaid is not calculated at the market price but at the rather lower official price. Consequently, the farmer must pay back much more rice than he could have bought with the money he borrowed plus the interest.

The other Food Bureau loan plan is to aid poor people who do not have enough rice to eat. These people may borrow brown husked rice (unpolished) at a low interest rate. This rice loan must then be repaid in new unhusked rice. According to an employee of the Farmers' Association, the brown husked rice loaned out by the Food Bureau under the administration of the Farmers' Association is rice stored in the association warehouses which the Food Bureau wishes to get rid of before it spoils. The only people who are eligible for such a loan are poor people who grow rice.

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The government Land Bank also offers loans, but these are usually made to large landholders who want the money to engage in business, offering their land as security. Thus, in times of financial need most small farmers must still resort to private moneylenders who require little security but charge interest rates of about 5.6 percent per month. Such loans are frequently for short terms because the interest rate is so very high. The moneylenders are usually landlords or former landlords and businessmen who have cash on hand and engage in such business as an investment. However, there are also small farmers who happen to have some cash on hand and lend it for a short time at the same high interest rates. These men will also sometimes lend small sums of money for a short time without interest to someone with whom they are intimate—some *ch'in tsu* or *ch'in ch'i*, or even some very close friends who are not related to them in any way.

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Another common means of borrowing money in the Hsin Hsing area, and in urban centers, is through a moneylending club. These

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clubs, which are very popular in Hsin Hsing, are similar to the clubs formerly found in many parts of mainland China (Fei, 1939:267-274) and in Japan (Embrece, 1939:138-147). Loan clubs, usually with ten to fifteen members, are organized by a man or woman who is considered reliable and trustworthy and who needs a large sum of money for some special purpose such as building a new house, buying some land, or paying for engagement gifts or dowry. The members, enlisted by the organizer, are usually his relatives, friends, or neighbors or sometimes even acquaintances of any of the others. The members are generally people who are interested in being of help to the organizer in his financial need, but there are others who participate only because they hope to make a profit.

The operation of such a moneylending club is quite complex. By means of such a system a person in financial need is often able to obtain an interest-free loan which is to be paid off over a fairly long time—usually more than a year—in equal monthly installments.³ If the amount involved is very large, such a club may use rice instead of money for the initial loan and for all payments. Under this system, all the payments are made twice a year, that is, after each rice harvest, over a period of years. For the most part, only rice growers participate in this latter transaction.

Generally speaking, then, the problem of farm credit has not yet been solved in the Hsin Hsing village area. A very large proportion of small farmers in financial need must still borrow money under the traditional high-interest systems. The problems of poor credit facilities, along with other financial burdens of the land, seem to be a factor in the increase in the number of families which are forced to find ways of supplementing farm income.

Agent for the Provincial Government's Food Bureau

It is only through the increased use of fertilizer that it is possible for the Taiwanese farmer to cultivate the land so much more intensively than before. In the middle and late 1930's Japanese chemical fertilizer and bean cake imported from Manchuria was used in Taiwan. Then, as now, the fertilizer was distributed for the government by the local Farmers' Associations. Under the Japanese, however, the villagers report, the system of distribution and payment for the fertilizer was quite different. Then, the farmer could easily obtain as much fertilizer and bean cake as he needed and desired so long as it was available. The cost of the fertilizer could be paid in cash (as could the land tax) after the sale of the rice harvest to a merchant. Now, payment for the fertilizer is only made in rice, partly before and partly after the harvest. Today, the government, operating through the provincial government's Food Bureau, has a monopoly on the importa-

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tion of the chemicals from Japan which make up the greater part of all the artificial fertilizer used in Taiwan. Only a relatively small amount of chemical fertilizer is manufactured in Taiwan itself and sold on the open market.

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Although the provincial government's Food Bureau still distributes the imported fertilizer through the local Farmers' Associations, the farmer today cannot purchase the kinds and amounts of fertilizer he wants. Instead, the fertilizer is only available to farmers who agree to grow crops specified by the Food Bureau. In 1958, chemical fertilizer could be obtained by the farmer only if he grew rice or jute as his first two crops and wheat or vegetables as his third crop. Payment for fertilizer to be used on rice was made in rice at the rate of one *chin* of rice for one *chin* of fertilizer. Only the fertilizer for jute, wheat, or vegetables could be bought for cash. The amount of fertilizer the farmer was allowed to purchase was determined by the size of area to be planted.

The fertilizer to be used for each crop is paid for in two installments: 40 percent at about the time of delivery and the remaining 60 percent after the harvest. Thus, in February or March, for example, the farmer must pay, in rice, 40 percent of the cost of the fertilizer used for the first rice crop. Then, sometime between the end of June and the beginning of August, he must pay the 60 percent still due for the first crop plus 40 percent of the cost of the fertilizer used for the second rice crop. The farmer must deliver the rice to the Farmers' Association. This sort of exchange system creates a number of problems for the farmer and is responsible for a good deal of his bitterness towards the government.

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As a direct result of the government's monopoly, most of the better fertilizers tend to be cheaper when purchased at the Farmers' Association than they would be at the shops of local merchants which have only limited amounts for sale. (The merchants acquire the more desirable imported Japanese fertilizer through devious means which will be discussed later.) Thus the farmer prefers to buy his fertilizer through the Farmers' Association at the favorable price. However, many farmers in the Hsin Hsing area now grow vegetables or some other crop instead of rice, especially as the second crop, and the association does not allocate fertilizer for such purposes. These farmers, of course, still need fertilizer, and therefore many declare to the Farmers' Association that they will plant so much acreage in rice when they have no such intention. As a result, when payment for the fertilizer thus obtained is due, these farmers must buy rice on the local market or from a villager with a surplus in order to meet their obligation.

Even the villager who does grow the rice he has declared to the

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Farmers' Association has problems. The farmer who grows rice as his second crop must save some of his rice from the November harvest in order to make the 40 percent payment for the fertilizer for the first rice crop in February or March. If this rice is stored it is in constant danger from rodents, but if the farmer eats or sells his rice, he must then buy rice in the spring at the higher off-season price, in order to make the 40 percent payment for the fertilizer needed in February or March.

A larger problem concerns the association's role in collecting the farmers' rice for the Food Bureau. (This same problem arises when the farmer makes payment in rice after the harvest for land tax, land reform land, and the enforced rice sale to the government. This will be discussed later.) In order to deliver his rice to the Farmers' Association almost three miles from Hsin Hsing, the farmer must either use an oxcart or make several trips by bicycle. To save time and energy, he may hire an oxcart if he does not own one. The rice will not be accepted by the Farmers' Association (acting for the Food Bureau) if it is not dry enough. If this happens, the farmer must take his rice home again and dry it further.

Today, some people in the area who own oxcarts and who have enough capital to maintain large stores of dry rice make it a business to take over the full responsibility of delivering the farmers' rice to the Farmers' Association in acceptable condition. These people obtain the names of farmers and the amount of rice they owe to the government from the Farmers' Association. They then pick up the rice of the willing farmer and give him a guarantee, in the form of a receipt, specifying that the businessman agrees to take over the farmer's responsibility for the rice payment. If the farmer's rice is not dry enough, the agent can then use his own rice stores to make payment. The charge to the farmer for this service is 5 percent in kind of the rice delivered. Many farmers use this service in order to relieve their anxiety over the possible refusal of their rice and also to eliminate the problem of finding a means of delivery.

Still other problems face the farmer under the government's system of fertilizer distribution. When the farmer acquires his fertilizer through the Farmers' Association, he must take the kinds and amounts of fertilizer being sold, regardless of what he would like or thinks he needs. And, in order to buy the ammonium sulphate fertilizer which is necessary for the rice crops, the Hsin Hsing area farmer must also buy a good deal of nitrogen calcium (known as "black fertilizer") which is used mainly for sugarcane and sweet potatoes. The farmers in southern Taiwan, who grow more sugarcane, must take the ammonium sulphate as well as the nitrogen calcium fertilizer. The result is that many farmers in each area sell the fertilizer they do not need to

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fertilizer merchants at a loss. The merchants then transport it to the area in which that type of fertilizer is in demand; there it is sold in local feed and fertilizer shops at a slightly higher price than at the Farmers' Association.

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Large numbers of farmers are affected by the results of their false claims that they will grow rice in their fields in order to be allowed to purchase fertilizer at the Farmers' Association. These false reports also affect government economic statistics. The reports made to the Farmers' Association on the amount of land surface to be planted in rice are one of the important bases used by the provincial government's Food Bureau in estimating the annual Taiwanese rice production. The official rice price mentioned earlier is determined annually by the Food Bureau according to this estimate and then is approved by the Provincial Assembly. However, since so many farmers report an intention to plant more rice than they actually intend to, the estimate regularly tends to be greater than the actual production, and as a consequence the official rice price is usually considerably lower than the market price, which is dependent upon the actual rice supply.

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The difference between the official and the market prices of rice has a definite and detrimental effect on the farmers. The landowner pays a land tax for paddy land in rice which must be delivered to the Farmers' Association. In addition, the provincial government's Food Bureau requires each farmer to sell a certain amount of rice to the government at the official rice price. The additional amount of rice due is added to the land tax bill, and the farmer receives a cash payment for it at a later date. This amount of rice is directly proportional to the amount of the land tax paid in rice. Thus, for every "14.16 kilograms" (about 23.4 chin) of rice paid in land tax, the farmer must sell "12 kilograms" (about 19.8 chin) of rice to the government at the official rice price, which may be as low as 70 percent of the market price.

A number of illiterate farmers in the Hsin Hsing area do not realize that they are selling rice to the government at this lower official price. Some of them are under the impression that the money they later receive from the Food Bureau is a rebate due them because they sent in too much rice for their land tax. Apparently, no one has explained the procedure to them.

[204] Regarding this procedure, Ko Kuo-chi, a Provincial Assemblyman, in the January 1, 1958, issue of *Tsu Chih Tsa Chih, Self-Government Magazine*, sharply criticized the government's Food Bureau for the price it had decided to pay the farmers for their rice. He noted that the government was paying the farmer only NT \$97.80 per 100 chin of rice, while on the market the farmer could obtain NT \$130 for the same 100 chin.

The government policy has the effect of a virtual attempt to force

427 .17 chia of paddy field from the barber. The absentee landlord is relatively rare, often a former villager who migrated to the city.

123 Sanlei villagers also own land outside the village
423 but we were only permitted to check official records inside the village boundaries of Sanlei and Erhlei. It is difficult to obtain accurate figures through interviews since there is a fear of tax increases. As a result, the disparity between villagers' reports and official holdings was striking. Records of outside holdings kept being refined all during the study by following men to work in the fields. People would reveal more about their neighbors' holdings than their own.

423 Some of the categories and grades are inaccurately
127 recorded on official records. No piece is overgraded because the township land official is contacted to report
651 losses, i.e., caused by erosion, in order to have the taxes reduced. On the other hand, improved land is not called to the attention of officials. Some of the dry land is really paddy land and some of the mountain land is now dry
• [654] land with orange orchards or tea fields. Over a four year period there was a Joint Commission for Rural Reconstruction (J.C.R.R.) and farmers' association sponsored soil conservation program for mountain land. When a farmer constructed proper terracing, he was rewarded with United
[651] States surplus flour. Only about 60% of the mountain-land